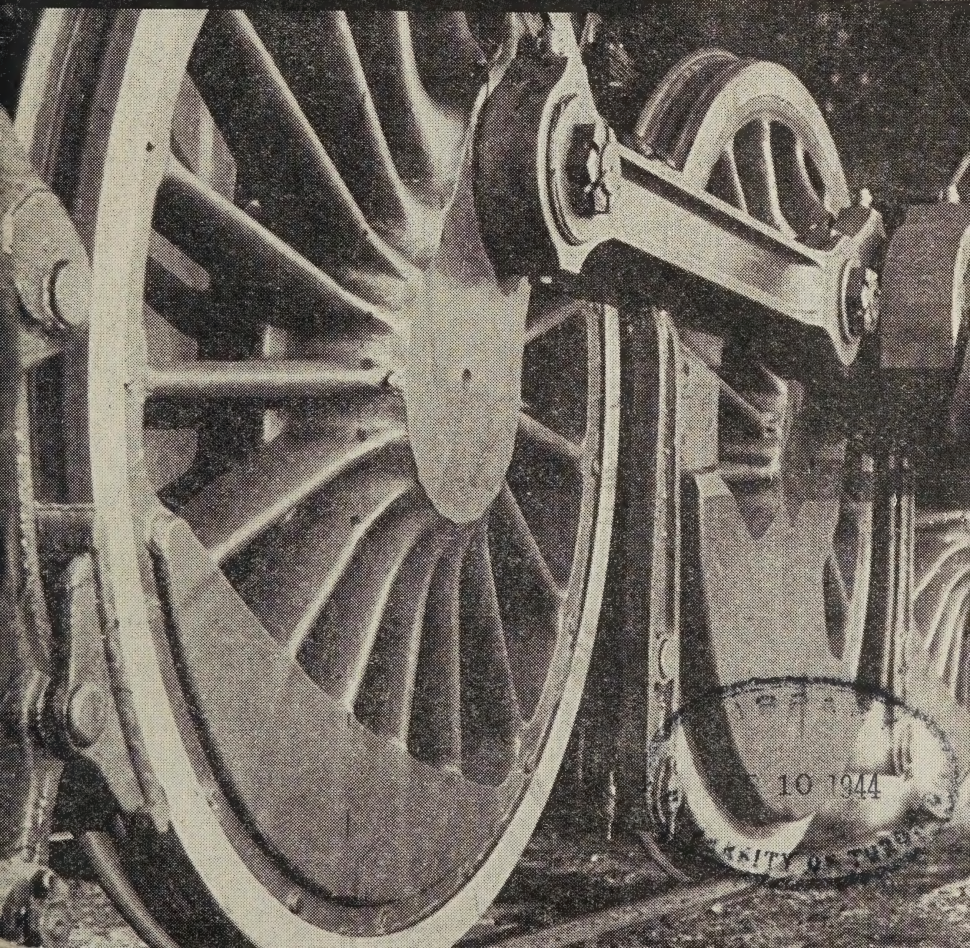


# CANADA AT WAR

No. 32

JANUARY

1944



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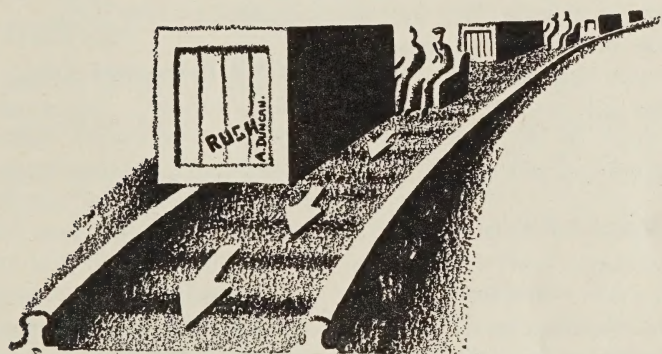
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# *Rails Speed Wheels of War*



**T**HE sprawling power of Canada has been harnessed for war by steel rails. In the more than four years of war a growing stream of men and materials has flowed through these arteries—men to the flying fields, to training camps and seaports; food for the nation and its allies; steel, copper and aluminum to factories; guns and other munitions to the battlefronts.

In 1943 the war output of the

nation reached its peak, and, as a direct parallel, railways carried more freight and more passengers than at any time in their history.

The great bulk of Canadian rail traffic is borne by two organizations, the Canadian Pacific Railway Company and the Canadian National Railway Company. The latter is controlled by the government. Both operate transcontinental systems, and both, according to

their capacity, have shared in the great transportation achievement of the war years.

Since 1939 the volume of traffic moving over Canadian rails has been increasing steadily. In 1942, the last year for which figures are available, the two principal roads carried 119,517,000 tons of freight. This was an increase of 48,468,000 tons, or 68% more than carried in 1938, the last full year of peacetime activities, an increase wholly attributable to the war.

### ***1943 Record Likely***

Passenger traffic also has shown a great increase since war began. Passengers carried by both systems in 1942 totalled 43,820,000, an increase of 26,077,000 or 147% over the number carried in 1938.

While final data are not yet complete for operations in 1943, preliminary reports indicate that the activities of both systems reached the highest peak in history during the year.

Wartime conditions probably have brought more problems for Canadian railroads than they have solved. With heavy demands for their services have come also the difficulties caused by wartime activities—shortages

of manpower and materials.

In 1942, 154,539 persons were employed by the two systems, an increase of 29,431, or 24% over 1938. Thus, while the railways increased freight tonnage handled by 68%, and passengers carried by 147%, personnel of the companies was increased by only 24%.

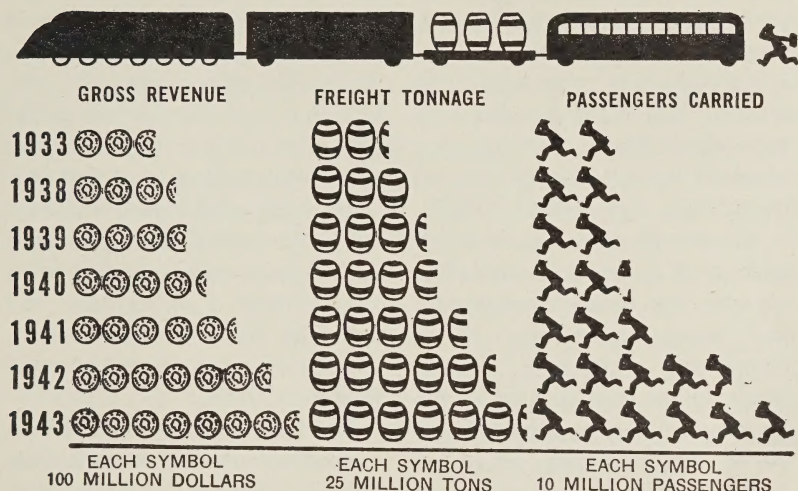
### ***Skilled Personnel Lost***

The railway companies, in common with most Canadian industries, have lost many of their employees to the armed services. To November, 1943, the C.P.R. reported that 16,730 employees had enlisted with the armed services: 10,342 from the railway; 5,590 from the steamships; 724 from the express company; 74 from the air lines. To July 6, 1943, the C.N.R. reported that 16,556 employees were directly engaged in war service.

Many of these men and women were highly skilled and have been exceedingly difficult, if not impossible, to replace.

As difficult in many respects have been the materials shortages, which have made replacement of equipment, maintenance and repairs impossible on a desirable scale. The mainten-

# WAR BOOMS RAILWAY TRAFFIC



ance of the great number of locomotives, freight, baggage, passenger and work cars and the great variety of other equipment that makes up the rolling stock of a modern railway has taxed the ingenuity of the railways to the utmost.

In the case of locomotives, sufficient additions have been impossible to obtain. From 1938 to 1942 the number of locomotives used by both roads declined by 5.96%; freight cars were 4.39% fewer. Passenger cars were less than 1% above those in use in 1938, while work cars were up 5.18%.

## All Work Harder

These figures illustrate that the increase in railway traffic has not been met by increasing motive power and rolling stock, but by other measures.

Freight and passenger cars have been made to carry heavier loads than ever before. Engines have hauled longer trains. Freight cars reaching the end of their journey have been reloaded and started back in quick time. Improvements to operating facilities have expedited the movement of traffic.

The average net ton load moved by a C.N.R. train in



1938 was 570 tons. By 1942 it had been increased to 791 tons. In 1938 the average daily movement of a freight car on the same road was 30.6 miles. In 1942 it had been increased to 45.7 miles. The C.P.R. reported a 69.5% greater utilization of freight cars from 1938 to 1942.

Similar measures have been taken in passenger traffic. Coaches are filled to capacity, and more are hauled by a locomotive. Although a relatively minor contribution to the provision of new passenger space, parlor cars have been converted to day coaches to accommodate more travellers.

### *Few Accidents*

A much greater strain also has been borne by the human element in rail operations—by the freight handlers, dispatchers, train crews, maintenance crews, operating and mechanical staffs.

Men and machines alike have suffered from wear and tear. Both have been run longer and harder in the interest of war than would normally be considered prudent; but it is an amazing tribute to the sound basis of Canadian railway operations that accidents on Canadian railways have been exceedingly few.

Nevertheless, many repairs and much maintenance have been postponed that will have to be undertaken at a later date. A considerable backlog of jobs has been put aside for the period of reconstruction that will have to be undertaken after the war.

In comparison with the railroads in other countries and with their own operations in World War I, Canadian rail activities are noteworthy.

### *Greater Task*

In 1914-18 the task which Canadian rails had to undertake was considerably smaller than in the present war. In the first four years of this war Canadian factories turned out about six times the amount of weapons that were turned out in the same period of World War I. The volume of food production in this war and the number of service men moved have been much greater in the last four years. Yet in 1943 the traffic on the C.N.R. was handled with 16.6% fewer locomotives, 15.5% fewer freight cars and 4.7% more passenger cars than the traffic in 1917.

The war contributions of the railway companies have not been limited to rail traffic alone. Both

organizations have participated extensively in vital war projects.

Canadian Pacific Air Lines has had an important part in opening up the Canadian Northwest. Trans-Canada Air Lines, controlled by the C.N.R., operates a transcontinental air system, and is operating a trans-Atlantic passenger and mail service for the federal government.

The C.P.R. operates schools under the British Commonwealth Air Training Plan. Trans-Canada Air Lines repairs and overhauls military aircraft, including engines, propellers and instruments. Both companies have undertaken a substantial munitions program, including the production of Valentine tanks by the C.P.R. and naval guns by the C.N.R.

### *Varied Services*

In the field of communications both organizations operate transcontinental telegraph services. In addition hotels are maintained by both companies in the important cities of the country. In another transportation medium, that of water, both the

C.P.R. and C.N.R. have contributed largely to the allied cause. A considerable tonnage of merchant shipping was transferred to the United Kingdom at the outbreak of war, and many of the former luxury liners and freighters operated by Canadians have taken part in the North Atlantic battle of the sealanes. Several of these vessels have been lost at sea.

Drydock and shipbuilding facilities of the C.N.R. on the Pacific coast have been used for the construction of new vessels and the repair of old.

Both companies have lent personnel to the government for the duration of war. Employees of both railways have participated in numerous voluntary war activities.

Plans for the post-war period have been formulated by the C.P.R. and C.N.R. Studies of the problems the railway companies are then likely to face have been submitted by both companies to the House of Commons committee on reconstruction and re-establishment.



# Canada as World Power

*"When this country went into the war it did so as a result of the action of this Parliament taken on its own account, a decision reached in accordance with what it believed to be and certainly was the will of the people of Canada. In all our relations with other parts of the Empire and with other countries, so far as the present administration is concerned, we intend to stand on the ground of a status of our own equal to that of each and all of the self-governing communities—the dominions and the United Kingdom included."*

RT. HON. W. L. MACKENZIE KING,  
Prime Minister of Canada.



SINCE 1939 the status of Canada has grown from that of a powerful peacetime nation to that of a fighting world power occupying a high place in international affairs. The year 1943 saw the crystallization of this new position and its recognition by other allied nations.

On the seas, on land and in the air more than 725,000 Canadian men have taken up arms beside their fighting comrades. The Royal Canadian Navy, which now ranks third most powerful among the navies of the United Nations, pursued its duties of protecting shipping in the North Atlantic during 1943. It continued its expansion into the

field of fighting ships heavier than those required by a solely anti-submarine force.

The Canadian Army was in active service in widely separated theatres of war. It participated in the occupation of Kiska in the Aleutian Islands, in the conquest of Sicily and in the invasion of Italy.

Throughout the year Royal Canadian Air Force fighter or bomber squadrons took part in every major Royal Air Force operation. There are 36 R.C.A.F. fighter and bomber squadrons on overseas service, and for every Canadian in them there are about 10 other Canadians in the R.A.F.



The British Commonwealth Air Training Plan, administered by the R.C.A.F., has been referred to as Canada's greatest contribution to the allied war effort. The year just closed saw almost full production, with the total of air crew graduates exceeding 50,000 early in the year, and the monthly production of trained air crew becoming equal to twice the number of fliers who won the Battle of Britain.

### ***Third Trading Nation***

While Canadian armed forces were fighting for allied victory, Canada's position and importance in the affairs of nations were becoming defined with increasing clarity. Although its population is only 11,500,000, Canada's volume of external trade is third largest of all the countries of the world.

Prime Minister King enunciated four conditions needed to develop world trade and to bring prosperity and employment. Toward these ends the government of Canada is prepared to work with other nations:

1. Extension throughout the world of the kind of relationship that exists between Canada and the United States and between the members of the British Commonwealth of Nations.

2. Commercial stability and the progressive removal of barriers to trade.

3. Functional machinery to carry on the necessary arrangements between nations, including the maintaining of international monetary stability and the provision of credit.

4. Domestic policies to provide maximum employment and production and to prevent inflation.

Concrete evidence of Canada's readiness to work with other nations has already been provided in its relations with the allied countries, especially in its role as a great supplying nation. Canadians are eager for better trade relations with the whole world.

In November the United Nations Relief and Rehabilitation Administration conference entrusted to Canada the chairmanship of that administration's important committee on supplies and included Canada in membership on its committee on Europe. It is expected that Canada's contribution to the relief of liberated countries will be largely in the form of foodstuffs, particularly wheat.

Canada also was represented at the United Nations Food Conference in May, and a Canadian subsequently was chosen chairman of the United Nations Interim Commission on Food and Agriculture.

## ***Mutual Aid***

Canada's Mutual Aid Act, which was passed in May, 1943, provides for the distribution of Canadian war equipment, materials and foodstuffs to the value of \$1,000,000,000 to the United Nations on the basis of strategic need. This plan followed a 1942 appropriation, also of \$1,000,000,000, not to be repaid, which constituted part of the financial aid provided by Canada to enable the United Kingdom to purchase war materials in Canada.

In October, 1943, Canada became a direct party to a protocol setting forth the munitions, war material and essential supplies to be furnished to the Soviet Union by the United States, the United Kingdom and Canada during the year beginning July 1, 1943. During the year the unparalleled production of munitions in Canada reached its peak.

In diplomatic representation Canada's position has been greatly enhanced. In November came the announcement that Canada's legation at Washington and the United States legation at Ottawa would be raised to the rank of embassies. This elevation gave the Canadian mission

a status equal to that of the United Kingdom's. Thus the Canadian embassy at Washington was the first to be established by any British country other than the United Kingdom.

In December arrangements were completed with the governments of the Soviet Union, China and Brazil whereby the Canadian legations in those countries would also be raised to the rank of embassies and their legations in Ottawa would assume the same status. Later the Belgian legation in Ottawa was changed to an embassy, but for the time being there is to be no change in Canada's representation to the Belgian government at present in London.

## ***Second Largest***

Among British countries Canada now has the second largest diplomatic corps. Within the British Commonwealth high commissioners are exchanged, and Canadian offices are established in Australia, Ireland, Newfoundland, New Zealand and South Africa. In addition to the legations mentioned which are destined to become embassies, there are also legations in Argentina and Chile. A minister in London has been accredited to



the allied European governments, and in October a diplomatic representative was accredited to the French Committee of National Liberation at Algiers.

In the House of Commons last July Prime Minister King said that despite the wartime difficulty of obtaining personnel, it had become apparent that Canada could not much longer delay a further extension of its diplomatic representation in Latin America. He did not think that the establishment of a legation in Mexico City should be longer delayed. Similarly he hoped to be able to announce an agreement in Cuba and Peru.

Steps are being taken to implement the Prime Minister's proposals.

Canadian consular officers are serving in Greenland and St. Pierre and Miquelon, and a consul-general at New York, appointed in April, 1943, heads the first Canadian consular establishment to be set up in the United States.

Canadian representatives are taking specialized courses both in the United Kingdom and at newly established staff courses in Kingston, Ontario, to prepare them to assist in the Allied Military Government which will

carry on the administration of liberated territories until local administrations are functioning adequately.

Canada's especially favorable position for the development of international air transport routes was given serious consideration during 1943. In April Prime Minister King remarked on Canada's potentialities as the aerial crossroads of the globe:

"The government . . . intends to press vigorously for a place in international air transportation consistent with Canada's geographical position and progress in aviation. All concessions and privileges that have been granted by Canada to other countries as part of the war effort will terminate at the end of the war or almost immediately thereafter. . .

"The Canadian government strongly favors a policy of international collaboration and co-operation in air transport and is prepared to support in international negotiations whatever international air transport policy can be demonstrated as being best calculated to serve not only the immediate national interest of Canada, but also our over-riding interest in the establishment of an international order which will prevent the outbreak of another world war."

### ***Mail for Troops***

A Canadian government wartime trans-Atlantic air service was inaugurated in July to carry mail to and from the Canadian forces in the British Isles and to transport members of the forces

and government officials. This was followed in November by an R.C.A.F. service which has undertaken to deliver mail as far away as Cairo.

In August, 1943, Prime Minister King was host to the sixth wartime conference of Prime Minister Churchill and President Roosevelt at Quebec City, and Canadian political and military leaders participated in important discussions. At Quebec for the first time the United Kingdom war cabinet and the war committee of the Canadian cabinet met in joint session.

Subsequently Mr. Roosevelt

was welcomed to Ottawa as the first President of the United States to visit Canada's capital. On that occasion Mr. King stated what might be taken as a summary of Canada's expanding relationship with the allied powers of the world:

"Canada counts it a high privilege to have the opportunity of drawing into relations of closer friendship, understanding and good-will the United States and the nations of the British Commonwealth. We are firmly convinced that in the continued close association of the British Commonwealth of Nations and the United States of America lies the surest guarantee of international peace and the furtherance of the well-being of mankind throughout the world."



"My department is studying post-war possibilities for war plants. A surprising number can be converted without difficulty. Many new types of production that have been organized for war will continue in peace. Synthetic rubber, optical glass, radar equipment (which promises to revolutionize radio communications and is the basis of television) are only a few of such new industries. Several plants built to manufacture explosives have already been converted to produce fertilizers. There are, however, certain war industries that cannot be readily converted to peacetime use, and the gap left by these must be made up by expanded peacetime industries. The partnership of government and producer must organize that expansion without delay."

MUNITIONS MINISTER C. D. HOWE.



# ***Facts and Figures***



## **NAVY**

Present strength.....	more than 74,000 (W.R.C.N.S. not included)
Pre-war strength.....	more than 1,700

**I**N THIS world war, as in the last, the allies are fighting at the end of supply lines stretching across the world's widest water spaces.

During the first years their chief efforts were devoted to building up their armed strength, producing the machines of war and keeping their garrisons across the oceans supplied with food and weapons.

The North Atlantic convoy routes to the United Kingdom

have been called "the lifeline of Europe." As recently as last summer Prime Minister Churchill said that "the U-boat danger is still the greatest we face." There were times during the first years of the war when it appeared that the lifeline of Europe might snap.

The Royal Canadian Navy, a force which seemed of little importance in 1939, has been responsible for half the work of keeping that lifeline intact. During the days of the U-boat "wolf

packs," when the German undersea onslaught was at its peak, corvettes of the R.C.N. fought the submarines to a standstill.

The success of the battle against U-boats which the R.C.N. helped to achieve is indicated in a statement by President Roosevelt and Prime Minister Churchill on December 9, 1943:

"Anti U-boat operations in November have been notable, for the enemy has achieved little for the great effort he has exerted. The number of merchant vessels sunk by U-boats in November is less than in any other month since May, 1940."

At the outbreak of war the R.C.N. consisted of 15 ships and 1,700 men. On this foundation a navy now numbering more than 74,000 men and 600 ships was built.

This new navy was designed primarily to do one particular job, that of guarding convoys. For this purpose Canada built up a fleet of small, sturdy fighting ships capable of standing the pounding of North Atlantic seas, fast and manœuvrable enough to elude enemy torpedoes and run down enemy submarines.

Most famous of these small ships is the corvette. Canadian shipyards have turned out large numbers of them. The R.C.N.

also uses frigates, larger and faster than the corvette, minesweepers and destroyers for convoy work.

Within six days of Canada's entry into the war the first convoy of merchant vessels left Canada for the United Kingdom. In the four years since then more than 100,000,000 tons of food, munitions and essential materials have been transported over the North Atlantic. In the protection of this route the R.C.N. and Royal Navy share responsibility, assisted by escort vessels of the United States Navy and the air forces of Canada, the United Kingdom, and the United States.

Other tasks of the Canadian Navy beside the protection of merchant shipping are to guard Canadian shores, to destroy or capture enemy merchant and fighting ships and to assist in blockade operations.

As the Canadian Navy has grown larger it has entered the field of fighting ships heavier than those required by a sea force engaged only in anti-submarine warfare. Canada is now the third strongest naval power among the United Nations, and



its rate of expansion has not been equalled by any navy of modern times.

Four R.C.N. Tribal class destroyers are operating with United Nations sea units. Eventually Canada will have a flotilla of eight of these Tribal class destroyers, the largest, fastest and most powerful type of destroyer afloat. The four destroyers already at sea were built in British yards. The other four are being built in Canada.

Canadian ships have operated in many battle theatres. They have had several successes against submarines in the Mediterranean. Two complete Canadian landing craft flotillas helped land the British Eighth Army for its invasion of Sicily.

The R.C.N. has collaborated with the United States Navy in operations in the North Pacific; forces of the R.C.N. joined with the United States Navy in the expedition to occupy the island of Kiska in the Aleutians in August, 1943.

Before the United Kingdom acquired bases on the islands of the Azores, Tribal destroyers and corvettes of the Canadian Navy joined with the Royal Navy and the Royal Air Force in a blockade against U-boats

along the Bay of Biscay. This blockade now has been greatly strengthened by ships and aircraft operating from the Azores.

R.C.N. personnel on loan to the Royal Navy have seen service in every part of the world. Thousands of Canadian sailors are fighting with the Royal Navy in combined operations.

Late in 1943 a large number of Canadians arrived in the United Kingdom to man a Canadian motor gun boat flotilla to fight from United Kingdom shores with ships of the Royal Navy's famed "mosquito navy."

In addition to the Women's Royal Canadian Naval Service, there are three personnel components of the Canadian Navy: The Royal Canadian Navy, the Royal Canadian Naval Reserve and the Royal Canadian Naval Volunteer Reserve. The R.C.N. is the permanent core of the organization. The R.C.N.R. is composed of persons who have followed the sea as a profession. The R.C.N.V.R. is made up of men who, in peacetime, were not employed in occupations connected with the sea.

*Operations of the Women's Royal Canadian Naval Service are described under "Women," page 33.*

# ARMY



Present strength .....	more than 465,000 (C.W.A.C. not included)
Pre-war strength .....	more than 4,500



**T**HE great wartime expansion of the Canadian Army has taken place around the small pre-war nucleus of 4,500 permanent force men.

The present strength of more than 465,000 men compares with the maximum strength of 389,639 of the army in World War I in July, 1918.

The army overseas is made up of two corps, comprising three infantry divisions, two armored divisions and two independent armored brigades, besides large numbers of ancillary or corps troops.

The army in Canada includes units comprising a composite formation of three brigade

groups, each capable of operating independently; units engaged in coast defence and other operational duties, and overseas reinforcements undergoing advanced training in training centres and in a training brigade group in eastern Canada.

The first contingent of the First Canadian Division landed in the United Kingdom on December 17, 1939, three months and seven days after Canada declared war. For more than four years since then the troops overseas have been reinforced and trained for an offensive against the Axis and to repel any possible invasion.



Before French resistance collapsed in 1940 Canadian troops actually had landed in France ready for battle, but they were recalled without going into action. After the evacuation of the British forces from Dunkirk in the first days of June, 1940, the Canadians were among the few adequately equipped troops left in the United Kingdom to meet an invasion.

In the months that followed, various Canadian detachments took part in raids on the European coast and, on September 9, 1941, on Spitzbergen, which was the largest raid of this nature.

Later that year, on the other side of the world, nearly 2,000 Canadian soldiers were engaged in the fighting at Hong Kong, and all were killed or taken prisoner when the fortress fell on December 25, 1941.

Canadian forces formed five-sixths of the United Nations troops in a raid on Dieppe on August 19, 1942, and more than 3,350 Canadians were killed, wounded, or taken prisoner. The Dieppe engagement was a reconnaissance in force, and use was made of the lessons learned there in the landings in North Africa.

As the fighting in North Africa developed, a group of Canadian officers and non-commissioned officers arrived there about the beginning of 1943 to gain battle experience with the British First Army in Tunisia.

Meanwhile organization of the troops overseas as a two-corps army, a development which had been forecast in April, 1942, was completed on January 16, 1943.

It was not until July 10, 1943, however, that these men, many of whom had been in the United Kingdom for more than 3½ years, engaged in any extended operation. On that date a British-Canadian-United States force landed in Sicily, and the Canadian First Division and First Armored Brigade were given a vital position in the line of battle. The Canadians served under General Sir Bernard L. Montgomery, commander of the British Eighth Army, who at the close of the 39-day campaign said:

"You handled yourselves according to the best and highest standards of any army. . . . It was a great honor for the Eighth Army to have the Canadians."

In the conquest of Sicily there were more than 2,400 Canadian

casualties, of whom approximately 1,800 were wounded.

On September 3, 1943, Italy was invaded. The First Division still formed the bulk of the Canadian part of the Eighth Army, but in November a further large contingent of Canadian troops arrived to engage in the heavy fighting. Subsequently Canadian units in Italy operated as a corps under Canadian command.

At the close of 1943 the United Nations were preparing for an invasion of Europe from the west. An indication of the extent of the Canadian Army's participation in that invasion was given on December 27 by Defence Minister Ralston when he said:

"Canadian land forces, when fully engaged, will be fighting on two fronts. The Canadian forces in the west will be part of a group of armies under General Montgomery."

General Montgomery had been named chief of British land armies for the western assault.

The fact that a corps of the army had been detached for service in Italy did not affect the general position of Canadian Army command, stated the minister, for the army still would function as a unit.

At the close of the year the commander-in-chief of the army overseas, Lieutenant-General A. G. L. McNaughton, resigned because of impaired health. Since General McNaughton first led his men ashore in the United Kingdom on December 17, 1939, he had commanded all the Canadian troops overseas while their formations increased from a single division to a two-corps army.

Lieutenant-General Kenneth Stuart, chief of the general staff in Canada, was appointed temporarily to the overseas command until a successor to General McNaughton was named and also was appointed to a new permanent post of chief of staff at Canadian military headquarters in London.

Besides these major activities of the troops overseas, Canadian soldiers also have served in strategic defence areas in Newfoundland, Labrador, Iceland, Alaska, Gibraltar and islands adjacent to the West Indies and the east coast of the United States.

Meanwhile during the war years the army in Canada has concentrated on training reinforcements for the overseas army and on providing defence forces

for Canada so long as there was a threat of possible attack on the North American continent.

By September, 1943, however, the changing picture of the war had made possible a reorganization of the army in Canada designed to free more men for overseas service and to reduce the number of operational troops at home. The expansion stage of the home defence forces had been passed.

Training centres also were reorganized under a plan by which basic and advanced centres were linked together according to corps, some at one location.

A part of the army is composed of men who have been called up under the National Resources Mobilization Act for

compulsory military training and service in Canada and its territorial waters and who by order-in-council may be despatched to areas outside Canada. Such troops formed a large proportion of the Canadian contingent which joined with United States forces in occupying the Aleutian island of Kiska, the last North American territory held by the Japanese, on August 15, 1943.

Also in Canada is a reserve army composed of more than 90,000 men. In time free from their regular occupations these men undergo military training at night, on Sundays and during holidays.

*The operations of the Canadian Women's Army Corps are described under "Women," page 33.*



A modern Canadian infantry division costs some \$25,000,000 to equip, and an additional \$76,000,000 to operate it in the field for one year. In 1918 it cost \$54,000,000 both to equip it initially and to maintain it in the field for the same period, even though there were 21,648 men in the World War I division compared with the fewer than 19,000 in the division of this war. The major difference is that it requires more than 4,000 vehicles of various types to equip a modern division against the 79 motor vehicles and 4,426 horses in each division in World War I.



# AIR FORCE



Present strength ..... more than 200,000  
(Women's Division included)  
Pre-war strength ..... more than 4,000



**T**HE Royal Canadian Air Force has three objectives:

1. To administer the British Commonwealth Air Training Plan.
2. To maintain and supplement the air force overseas.
3. To provide for the aerial defence of Canada and to combat enemy submarines from the Atlantic and Pacific coasts.

In the four war years the R.C.A.F. has expanded from a force of little importance to the fourth greatest air power among the United Nations and fifth in the world. The extent of its contribution to the war effort of the United Nations is indicated by some of its operations in the United Kingdom from January

to December of last year:

1. Its heavy bombers made 115 major attacks on important industrial targets.
2. Its aircraft destroyed 158 enemy planes; probably destroyed and damaged many others.
3. Its planes badly damaged at least 112 locomotives and attacked hundreds more.
4. Its coastal command aircraft made 32 successful attacks against enemy shipping; in many more attacks the results were not assessable.
5. Its fighter squadrons accompanied United States Army Air Forces heavy and medium bombers on 69 major daylight missions, and Mosquitoes, Mustangs and Typhoons made an average of three intruder sweeps a week against enemy airfields, rail centres and dock installations.

These figures represent activities of R.C.A.F. units only. In addition members of the R.C.A.F. comprise a very large number of the crews in virtually every raid by the Royal Air Force.

There are 36 R.C.A.F. squadrons in the United Kingdom, but for every Canadian in them there are about 10 other Canadians in the R.A.F. With the exception of radio mechanics, nearly all R.C.A.F. ground crew serve with the R.C.A.F.

The first R.C.A.F. unit sent overseas was an army co-operation squadron which reached England in February, 1940. A fighter squadron arrived the next June, and these fliers helped turn the course of the war in the victorious Battle of Britain.

When the Germans in North Africa were driving on Cairo and then when they were reeling back again, the R.C.A.F. personnel fought side by side with the R.A.F., first on the defensive and later on the offensive.

For a long time R.C.A.F. squadrons have been participating in the great air attacks on Germany and German-held territory. In one raid on Hamburg

alone they dropped five times the tonnage of bombs ever dropped on London in a single raid.

The Canadians, too, are adept at "nuisance" raids in which from low levels and at tremendous speeds they blast locomotives, freight cars and railway junctions.

From North Africa, from Sicily and from bases in Italy itself, the R.C.A.F. has been hammering the Axis forces in Italy.

R.C.A.F. fliers had a share in the successful Battle of Malta.

Through the vigilance of R.C.A.F. airmen based in Ceylon that British outpost was saved from a Japanese raid, and in Burma today R.C.A.F. fliers are helping to harass the Japanese entrenched in the jungles there.

The R.C.A.F. issued its first communiqué of the war in 1942, long after it had assumed an active role in the conflict. On January 1, 1943, an R.C.A.F. bomber group was formed in the United Kingdom, and on February 8, 1943, the formation of an army co-operation wing comprising three squadrons of Mustangs was announced.

Two of these squadrons had

got their baptism of fire in the attack on Dieppe, and from their experience a new phase of operational flying was developed. Each pilot spent a month with various army units, studying infantry, tank and artillery tactics before going out on low-level reconnaissance raids.

Thus from the army co-operation wing have grown Canada's tactical air units. When the United Nations armies storm across the English Channel in the great offensive that will carry them to Berlin, Canada's airmen will be co-operating effectively with them.

Canada bears the entire cost of pay, allowances, maintenance and equipment of all R.C.A.F. squadrons operating overseas and the pay, allowances and maintenance of all R.C.A.F. personnel in the R.A.F.

The R.C.A.F. squadrons engage in all kinds of aerial warfare and fly all types of planes. One of the most recent developments was the formation in November, 1943, of a squadron of night-fighting Mosquito planes. A later project, one of the most ambitious ever attempted by the R.C.A.F., was a new overseas mail squadron which oper-

ates a 7,500-mile air line for Canada's three armed services.

Not since the early months of the war had Canadian airmen been sent overseas in squadron formations until late in 1943, when fighter units from the Alaska war theatre and other areas began to be transferred. It was announced then that "a reasonably good number" of fighter squadrons would be sent intact to the United Kingdom to join the 36 squadrons already there.

It was from Alaska and from bases in the Aleutian Islands that Canadians had helped to drive the Japanese from their strongholds along that route which might be used as a stepping stone to Tokyo.

While the diminished threat of air attack on the North American continent made possible a shifting of some Canadian defence squadrons overseas, aerial operations in Canada have not suffered as a result.

Convoy patrol and anti-submarine activity remain the most important duties of the air force's home war establishment. With the provision of long-range aircraft, convoys now are protected



from the air entirely across the Atlantic. Canadian-flown Liberator bombers are guarding them with increasing effectiveness.

Up and down the east and west coasts of Canada R.C.A.F. planes make constant patrol. At least three score submarines have been attacked by aircraft of the eastern air command.

In the first year of war Canadian airmen flew 14,300 hours on convoy patrol. By 1942 they had increased their hours aloft to 94,450. In 1943 it is estimated this figure was doubled.

*Operations of the R.C.A.F. (Women's Division) are described under "Women," page 33.*



## BRITISH COMMONWEALTH AIR TRAINING PLAN



AS city after city in Germany is being reduced to ruins by aerial assault, Canadian participation and to some extent Royal Air Force participation reflect the growth and achievements of the British Commonwealth Air Training Plan.

This plan entered its fifth

year on December 17, 1943. Fully developed by then, it had advanced well beyond its experimental and rapid-expansion stages. For many months now it has been possible for the plan to concentrate on meeting the demands of the war fronts for trained air crew. This situation will continue.

Joint enterprise of the Canadian, Australian, New Zealand and United Kingdom governments, the B.C.A.T.P. is based on a proposal made on September 26, 1939, to set up a common air-training system. The proposal was accepted in principle by the Canadian government on September 28. The first agreement was signed on December 17, 1939, the same day the first contingent of the Canadian Army landed in the United Kingdom.

The purposes behind the plan were speed, efficiency and economy. Its four chief aims were:

1. To meet and hold the enemy air strength and prevent it from doing too much damage to the United Kingdom, the last citadel of freedom in Europe and spring-board for attack on Germany.
2. To attain air supremacy.
3. To destroy enemy air power.
4. To destroy the economic life of Germany and its allies.

Development of the plan during the four war years has been as follows:

1940—Organization. The first graduates went overseas in November.

1941—Construction and expansion. The slow trickle of air crew graduates overseas grew in volume. The last school in the original pro-

gram opened in December, five months ahead of schedule.

1942—Further expansion and consolidation of Royal Air Force and Royal Canadian Air Force schools in Canada, with tremendously increased capacity and production.

1943—Almost full production. The total of air crew graduates exceeded 50,000 early in the year, and the monthly production of trained air crew became equal to twice the number of fliers who won the Battle of Britain. The trickle of graduates overseas swelled to a mighty stream.

So impressive has been the success of the plan that Canada has been referred to as "the airdrome of democracy." The R.C.A.F. is responsible for administration of the B.C.A.T.P. and for provision of its instructors.

There were only 169 pupils in the first classes—50 pilots, 44 observers and 75 wireless operators. However, air schools and flying stations sprang up all over Canada until 154 were in operation, more than twice as many as the 74 originally estimated as being required for the program.

Ten thousand training planes flew an average of 2,000,000 miles daily to produce the still expanding force of 50,000 air-crew graduates—enough to man 15,000 combat aircraft. More than 80,000 men have had special

training in ground crew trades.

Despite the urgency under which the plan began to operate, every air-crew student was fully trained before being permitted to graduate.

Besides Canadians, Austrians, New Zealanders and Britons being trained under the plan, there are Belgians, Czechs, Netherlands, Newfoundlanders, Norwegians, Poles and men from the United States. More than 60% of the graduates, however, are Canadians.

All the schools of the plan were to be in operation during 1942. On December 15, 1941, two days before its second anniversary, the final school was opened.

Under the original agreement

Canada was to pay more than \$600,000,000 of the total \$900,000,000 the plan was to cost, and it was intended to continue only until March 31, 1943. The success of the undertaking prompted the participating countries to sign a new agreement on June 5, 1942, to extend its operation to March 31, 1945, and to enlarge it considerably.

Canada is paying half the estimated cost of \$1,500,000,000, and the United Kingdom is paying the remainder, less deductions representing payments by New Zealand and Australia for the cost of training air crew. The United Kingdom already has paid much of its share in the form of planes and other equipment needed for the great undertaking.



***Citation on the award of the Conspicuous Gallantry Medal to R.C.A.F. Sergeant G. W. Meadows of Bowman Lake, Manitoba:***

"This airman was the rear gunner of a bomber detailed to attack Berlin one night in November, 1943. During the operation the aircraft was attacked by a fighter. Bullets from the enemy aircraft hit and damaged the mid-upper and rear turrets. One bullet struck Sergeant Meadows in the back. It was deflected by the wiring in his electrically-heated clothing and came out in the groin. Another attack developed, and the mid-upper gunner, the wireless operator and navigator were wounded. Despite his injury, Sergeant Meadows remained in his turret and by his excellent co-operation with the pilot, together with his good shooting, beat off eight further attacks by fighters. This airman's skill, courage and fortitude are of a high order."



# MERCHANT NAVY



CANADA'S "fourth arm of the fighting services," the Merchant Navy, has played a heroic part in the pursuit of allied victory. Men of this un-uniformed service have doggedly maintained the Atlantic lifeline between the United Kingdom and North America, shared in the evacuations of Dunkirk, Greece and Crete, aided in the establishment of beachheads in the Mediterranean war theatres and pushed through dangerous waters to northern Russia.

Submarine and aerial attack has taken toll of many ships, but the losses have been more than made up by new cargo vessels from Canada's own wartime shipyards. The Merchant Navy consists mostly of vessels owned and operated by private con-

cerns and the Canadian National Steamships. New cargo vessels launched during the war from Canadian shipyards are operated by these and other shipping companies on charter from the Park Steamship Company, a crown company. In December, 1943, Canada had 56 such new freighters manned by Canadian crews and expected to have 100 by June, 1944. Most of them are 10,000-ton ships.

The personnel of the Merchant Navy also has increased. Officers with previous experience have returned to service after years ashore. Canadians working on vessels not of Canadian registry have been coming back to serve under the Canadian flag. Young men have been taking training

courses to prepare them for going to sea. These additions have more than made up the loss of 660 known casualties.

The Department of Transport, through a special wartime branch under a director of merchant seamen, is responsible for the manning and training of merchant seamen as well as their welfare while in Canadian ports. Merchant seamen's manning pools have been opened in Halifax, Saint John, Montreal and Vancouver. These pools provide reserves of experienced seamen to man the ever-increasing number of new cargo vessels; they also do away with the problem of unemployment while ashore, for they provide board, lodging and pay between voyages to experienced Canadian seamen who join under the condition that they accept assignment in rotation to foreign going ships.

Many hundreds of young Canadians have taken part in the comprehensive training scheme devised for all ranks of Canadian merchant seamen. No vessel can be sent to sea unless each member of the crew has a certain degree of experience. Since the beginning of 1942 the

marine engineering instructional school at Prescott, Ontario, has trained men in engineroom and stokehold duties. At St. Margaret's sea training school at Hubbards, Nova Scotia, young men have been trained as ordinary seamen since July, 1942.

These schools give intensively practical courses on rudimentary seamanship and navigation as well as engineroom duties. While taking the course, trainees receive remuneration and board and lodging. Certain opportunities to become cadet officers are available, and selectees at St. Margaret's sea training school who acquit themselves creditably are chosen to fill these posts. Two such cadet officers are assigned to each of the new Park Steamship Company vessels.

Seamen who have the requisite time and experience at sea are encouraged to take tuition at nautical schools of the Department of Transport to enable them to be examined for initial certificates of competency. Similarly junior officers are given an opportunity to sit for examination for higher grade certificates. The same system of upgrading applies to engineroom staffs

## CANADIAN MERCHANT SEAMEN

Certified to date in central registry, Ottawa.....	43,719
Merchant seamen's identification certificates issued (required by any seamen going outside Canada, including the United States).....	28,560
Merchant Navy badges issued (only to seamen who have been casualties of enemy action or who have operated in "dangerous" waters for three months)...	3,930
Serving on vessels of Canadian registry listed as missing and presumed dead.....	660
Known to be prisoners of war.....	145
Claims paid by Department of Transport for loss of effects by Canadian merchant seamen due to enemy action.....	1,065
Dependents of Canadian merchant seamen being paid death pensions by the Canadian Pension Com- mission.....	617
Disability pensions being paid to Canadian merchant seamen by the Canadian Pension Commission.....	34
Persons benefiting by merchant seamen pensions (not including detention allowance for prisoners of war):	
Adults.....	407
Children.....	244
	— 651

where ratings and junior officers are given an opportunity to take tuition to enable them to sit for initial or higher grade marine engineering certificates.

A scheme has been developed for the training of wireless telegraph officers for the Merchant Navy. This provides for the payment of subsistence allowance together with the ultimate conditional refund of fees paid for radio college tuition. To benefit under this, men training as wireless telegraph officers

must undertake to enter into agreement for two years' service.

A similar arrangement is operating for the training of ships' cooks, particularly in the art of baking bread, which is the principal and most common deficiency. Trainee cooks are attached to the catering staffs of the manning pools where they are under the supervision of permanent cooks during their training period.

The welfare of merchant seamen while in Canadian ports is



looked after by existing seamen's clubs and hostels, aided by the Department of Transport. Through the Navy League of Canada, eight clubs for the exclusive use of merchant seamen have been placed in operation.

Also under the auspices of the Navy League, clubs for the use of Merchant Navy officers have been opened in Halifax, Sydney, Saint John and Montreal. These provide the maximum facilities for comfort and relaxation, and the extreme importance of maintaining the morale of seamen who are cut off from their homes is fully recognized.

The services of all patriotic organizations and individuals providing comforts for merchant seamen afloat and ashore have been centralized to obviate overlapping.

The director of marine services, another branch of the Department of Transport, is responsible for payment of compensation for loss of effects by merchant seamen, the issuing of Canadian Merchant Navy badges, identity certificates and Memorial crosses, and also for maintaining

a registry of seamen. To December 31, 1943, payment of compensation for lost effects had been made in 1,065 cases to men whose ships had been lost in enemy action. Indicative of the high devotion to duty is the fact that claims have been paid to the same men on more than one occasion when they have returned to sea and re-encountered injury and exposure.

Under the Minister of Pensions and National Health the Canadian Pension Commission takes care of death and disability pensions for or on behalf of merchant seamen as well as payment of detention allowances on behalf of those taken prisoners of war. Provision for hospitalization and treatment of sick and injured is made by the sick seamen's branch of the Department of Pensions and National Health.

A further governmental regulation benefiting merchant seamen provides for vocational training and assistance under the post-discharge re-establishment order if the seamen are prevented from following their former occupation as a result of war disabilities.

# ESTIMATED INTAKE INTO THE ARMED FORCES\*

Officers and Other Ranks and Ratings

[W.R.C.N.S., C.W.A.C. AND R.C.A.F. (W.D.) not included]

To September 30, 1943

## ARMY

Military District	Estimated Male Population Ages 18 to 45 (See note A)	Royal Canadian Navy (See note B)	Appointments and Enlistments (See note C)	Enrolments, National Resources Mobilization Act (See note D)	Less Inter-service Transfers and N.R.M.A. men Enlisted (See note E)		Royal Canadian Air Force (See note F)	Percentage Total Intake to Male Population Ages 18 to 45
					Total	Net Total		
1	172,000	6,213	38,620	9,477	48,097	3,692	13,614	64,232
2	462,000	16,701	113,607	20,071	133,678	7,512	54,468	197,335
3	187,000	6,158	46,664	5,566	52,230	3,110	17,038	72,316
4	456,000	6,552	58,133	29,025	87,158	4,713	18,144	107,141
5	214,000	3,068	18,592	12,070	30,662	1,305	5,430	37,855
6	142,000	7,235	40,217	6,288	46,505	3,223	8,808	59,325
7	94,000	2,168	26,984	5,986	32,970	2,304	5,969	38,803
10	197,000	7,274	41,852	9,909	51,761	3,198	21,939	77,776
11	181,000	9,296	41,248	8,509	49,757	3,163	20,771	76,661
12	191,000	4,887	36,254	10,459	46,713	2,928	19,590	68,262
13	178,000	5,736	38,434	8,280	46,714	2,782	18,216	67,884
Outside Canada.....	2,474,000	75,288	500,605	125,640	626,245	37,930	203,987	867,590
		469	791		791		471	1,731
		75,757	501,396	125,640	627,036	37,930	204,458	869,321

\* Figures of intake do not represent actual strength of the armed services, as they do not take into consideration men discharged for medical or other reasons, personnel pensioned, casualties incurred and other factors.

## NOTES:

- A. Population figures for the age group, 18 to 45, were estimated from summaries of the 1941 census which had been published in five-year and 10-year age groups. Moreover, in two areas where census boundaries did not coincide exactly with those of military districts, the proportion of the population in each area to be allotted to each military district had to be estimated.
- B. Records of naval appointments and enlistments have been maintained by provinces, but not by military districts. Where any province includes more than one military district, the appointments and enlistments for that province have been allotted to those military districts in the proportion that the male population (18-45) of each military district or part thereof included in the province bears to the total male population (18-45) of the province.
- C. Army appointments and enlistments do not include Reserve Army personnel called out on active service, from time to time, under various general orders.
- D. Figures of enrolments, National Resources Mobilization Act, previously published, included some men who reported to training centres or depots on being called up but who volunteered immediately and were never documented as N.R.M.A. recruits. Figures given above are based on actual documentation and are therefore more accurate than those previously published.
- E. This column includes men discharged from the Army for the purpose of joining the Navy or Air Force and men enrolled under N.R.M.A. who subsequently volunteered for general service. No similar deduction has been made from Navy or Air Force enlistments for personnel discharged therefrom to join other services, as the numbers are small.
- F. Records of enlistments of airmen have been maintained according to R.C.A.F. recruiting areas but not by military districts. Where any such area does not lie entirely within one military district, the enlistments for such area have been allotted to military districts in the proportions obtained from sample tabulations made by the R.C.A.F. "Direct entry" appointments of officers have been allotted to military districts in the proportions which the enlistments of airmen in each military district (as derived above) bear to the total enlistments of airmen.



# WARTIME PUBLIC BOND ISSUES IN CANADA

# WARTIME PUBLIC BOND ISSUES IN CANADA

	FIRST WAR LOAN JAN., 1940	SECOND WAR LOAN SEPT., 1940	FIRST VICTORY LOAN JUNE, 1941	SECOND VICTORY LOAN FEB.-MARCH, 1942	THIRD VICTORY LOAN OCT.-NOV., 1942	FOURTH VICTORY LOAN APRIL-MAY, 1943	FIFTH VICTORY LOAN (1) OCT.-NOV., 1943
OBJECTIVE							
CASH	\$200,000,000	\$300,000,000	—	—	\$750,000,000	\$1,100,000,000	\$1,200,000,000
CASH AND CONVERSION	—	—	\$600,000,000	\$600,000,000	—	—	—
SALES							
CASH	\$200,000,000	\$300,000,000	\$730,376,250	\$843,127,900	\$991,389,050	\$1,308,716,650	\$1,383,275,250
CONVERSION	50,000,000	24,945,700	106,444,000	153,579,000	—	—	188,036,300
TOTAL	250,000,000	324,945,700	836,820,250	996,706,900	—	—	1,571,311,550
SUBSCRIPTIONS	178,363	150,890	968,259	1,681,267	2,032,154	2,669,111 (1)	3,033,051
MARKETING COSTS FOR EACH \$100 OF BONDS	86.8 cents	84.2 cents	\$1.094	98.4 cents	98.6 cents	92.3 cents	About 88 cents

(1) Preliminary, subject to minor change.

(1) Preliminary, subject to minor change.

# WOMEN

	Enlistments to December, 1943	
Women's Royal Canadian Naval Service.....	more than	4,546
Canadian Women's Army Corps	" "	16,200
Royal Canadian Air Force (Women's Division).....	" "	16,300
Nursing Services.....		2,616
Women doctors in the armed services		39
<b>Total.....</b>	<b>more than</b>	<b>39,701</b>

**S**INCE war began in September, 1939, the women of Canada have put their shoulders to the task of victory with energy and determination. Almost 40,000 have donned uniforms of the services to release men for action. One of every four persons employed in making war munitions in Canada is a woman. On the farms, in business and industry, in increased governmental staffs and in the many organized voluntary services women have stepped into the breach caused by shortages of manpower.

Youngest of the three women's services, the Women's Royal Canadian Naval Service has grown since its inauguration in June, 1942, and its first training class of August, 1942, to a total enlistment of more than 4,546 by the end of 1943. Canadian Wrens are serving at more than

30 naval bases, including Washington, Newfoundland and the United Kingdom.

The W.R.C.N.S. program for 1944 includes the recruiting of 1,000 reinforcements in the domestic categories; the administering of educational courses for Wrens so they may leave the service with a broad knowledge of world affairs and a sense of responsibility as citizens of the post-war world; plans for the rehabilitation of members of the service, and the adjustment of the Wrens themselves to the navy and their jobs.

During 1943 the first two drafts of Wrens arrived in the United Kingdom, the second one shortly before Christmas. Representing every province in Canada, its 19 members were posted for duty chiefly in the mail fleet office.

Every week large drafts went to H.M.C.S. *Conestoga* at Galt, Ontario, for their basic training, after which they received additional courses or were posted directly to their new duties with the Royal Canadian Navy in Canada, Washington, Newfoundland or the United Kingdom.

A Wren officer is captain of a training ship ashore—first woman to achieve that distinction; another officer graduated from an accounting officers' course with male officers; a Wren is doing medical research for the navy in a guarded laboratory; Wren dietetics officers supervise the food eaten by naval personnel ashore or afloat; a Wren officer instructs seamen cooks at the naval cooking school at H.M.C.S. *Cornwallis* at Deep Brook, Nova Scotia; a Wren checked all the shipping through the Welland Canal during the navigation season.

The Canadian Women's Army Corps, which was established in August, 1941, and commenced training on September 1, 1941, reached a total enlistment of 16,200 by December, 1943.

Because of the ever increasing number of C.W.A.C. personnel employed in the various army

directorates at national defence headquarters in Ottawa, a new barracks recently was opened. Known as 48 Company, it is the fourth to be opened in the capital city.

In December, 1943, a further draft of C.W.A.C. members arrived overseas to take over duties as cooks, laundresses, mess orderlies, clerks and stenographers in the United Kingdom.

By the end of 1943 C.W.A.C. members were working at more than 50 trades, including general clerks, stenographers, cooks, transport drivers, draughtswomen and postal clerks. Thirty women a month began taking instruction as wireless operators at the Canadian Signals Training Centre, Barriefield, Ontario; a detachment of 24 "Cwacs" in the Atlantic command operated the kinetheodolite, a new instrument to record anti-aircraft gunfire and to determine errors in aim.

Members of the C.W.A.C. are taking an active interest in post-war planning, and at the officers' training centre at Ste. Anne de Bellevue, Quebec, time for post-war discussions has been allotted in the training schedule.

The first women's service organized in this war to release men for active duties, the Royal Canadian Air Force (Women's Division) was established July 2, 1941, and became integrated with the R.C.A.F. in February, 1942. It was also the first service to send a contingent overseas. By the close of 1943 enlistments totalled more than 16,300.

During the year women entered many new phases of ground staff work. These included the trades of wireless operator, radio telephone operator, aero-engine mechanic, airframe mechanic, aircraft detection and aircraft recognition. Airwomen photographers went on station duty; parachute packers at coastal stations learned the work of packing rubber dinghies for sea rescue work; and a few women highly qualified for such duty became instructors in wireless and aircraft recognition for both men and women of the service. Others were commissioned as officers in signals, accounts, equipment and educational branches; one was commissioned in the provost branch; and a group of the first operations room clerks who went overseas in 1942 returned to work as of-

ficers at operational units in Canada.

In 1942 an initial group of clerical airwomen was posted to overseas headquarters. In January, 1943, cooks, transport drivers, office workers, telephone operators and hospital assistants began going overseas in drafts to work in the R.C.A.F.'s "front line" on stations of the Canadian bomber group. Further drafts sailed almost monthly, and later groups included airwomen to work in the signals branch as wireless operators and teleprinters. Officers took a course of photographic interpretation, learning to "read" the results of raids over enemy territory by the photographs brought back by bomber crews.

The ranks of the division in Newfoundland were greatly increased, and a draft went on active service in an outpost station on the Pacific coast.

Women doctors and qualified social workers were stationed in each Canadian command to care for the health and morale of the division. Rehabilitation problems already are being given consideration by officers of the Women's Division in collaboration with R.C.A.F. officers.



By December 2,616 Canadian women were enlisted in nursing services uniforms. There were 2,071 in the Royal Canadian Army Medical Corps, 209 in the Royal Canadian Navy nursing service and 336 in the Royal Canadian Air Force. These include nursing sisters, physiotherapy aides, occupational therapists, dietitians and home sisters. Their work has taken them into every field where men are training and fighting.

There are 39 women doctors in the armed services, four in the navy, 23 in the army and 12 in the air force.

The war emergency training program of the Dominion Department of Labour was set up in July, 1940, to augment the number of trained persons equipped to serve in industry. By December, 1943, more than 44,472 women had enrolled for training in both full-time and part-time classes of the industrial schools and plant schools.

Through the women's volun-

tary services division of the Department of National War Services, many women have found a place where they may serve for the common victory while continuing to care for their own homes. The voluntary service centres in various districts in Canada serve as manning pools for volunteers. Organizations doing voluntary work may apply to them for help.

Clerical work, issuing of ration books, salvage, war savings stamps drives, Victory garden surveys, hospital work, day nursery supervision and home hospitality are some of the projects carried on by members of the women's voluntary services on the home front.

Under the Dominion-provincial equal-cost agreement which was drawn up in July, 1942, 25 day nurseries were operating, 19 in Ontario and six in Quebec. An agreement between the Dominion and the province of Alberta covering the establishment of nurseries in Alberta was signed.



# MUNITIONS

## SINCE WAR BEGAN CANADA HAS PRODUCED:

10,000 Aircraft	55,000,000 Rounds Heavy Ammunition
500 Naval Vessels	3,000,000,000 Rounds Small Arms Ammunition
250 Merchant Ships	\$308,000,000 Signals and Communications Equipment
570,000 Military Vehicles	1,000,000 Tons Chemicals and Explosives
30,000 Armored Fighting Vehicles	
1,000,000 Machine Guns and Rifles	
80,000 Guns (barrels, carriages or mountings)	



*"Canada's production program is now at its peak. . . . Our munitions program may diminish slightly, but until the war ends there will be no very considerable slackening off in that program."*

HON. C. D. HOWE, *Minister of Munitions and Supply, on November 18, 1943.*

SINCE September, 1939, when the war began, Canada has undergone an industrial transformation which could not have taken place under normal conditions in less than 25 years. Hundreds of new factories have been built, and some peacetime industries have expanded to two, five and even 10 times their former size.

This industrial expansion has passed through four progressive stages to reach its climax after four years of war:

1940—Planning and organization.

1941—Construction, conversion and expansion of facilities. Beginning of production drive.

1942—Bringing virtually all stores into production and increasing output constantly.

1943—Peak production. Revisions made necessary by the changing pattern of the war.

In financial terms, Canada's production record reveals the fact that the total values of completed munitions, as well as expenditures for defence construction, have increased annually. On the other hand, capital assistance in achieving the pro-

duction program has decreased correspondingly. These trends

are indicated by the following figures:

	1940	1941	1942	1943	Totals
	In millions of dollars				
Completed munitions..	307	805	2,023	2,776	5,911
Defence construction..	94	138	219	217	668
Capital assistance (not including wartime housing).....	112	255	210	186	763
TOTALS.....	513	1,198	2,452	3,179	7,342

The total value of contracts awarded and commitments made by the Department of Munitions and Supply since July 14, 1939, on Canadian, United Kingdom and other account had approached \$10,000,000,000 at December 31, 1943.

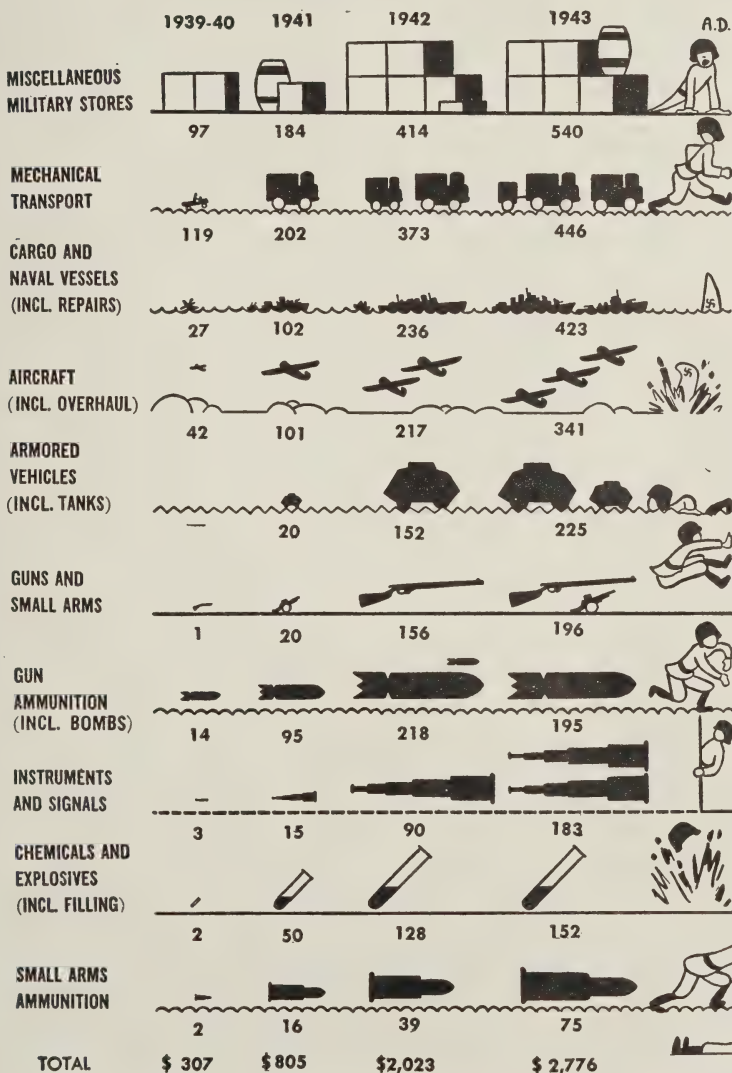
Canada stands fourth among the United Nations as a producer of war supplies, overshadowed only by the United States, Russia and the United Kingdom. All efforts have been made to integrate the production of Canada with that of the other United Nations with a view to the maximum utilization of resources. Canadian munitions and supplies have been shipped to all the United Nations and have been used in all the theatres of war. In timeliness, variety and quality, Canadian production has been a major factor in the allied swing from desperate defence to victorious attack.

The war supplies and equipment that poured from Canada's industrial front at the production peak in 1943 differed widely in kind from that produced in 1940. Weapons made obsolete by improvements in the enemy's defensive armament, such as the Boys anti-tank rifle, were cut from the list. Standard equipment, such as the Universal carrier, underwent scores of improvements as a result of lessons learned in the factory and on the battlefield. Supplies which had accumulated in heavy reserve by reason of the great output achieved, such as cordite and T.N.T., were being produced in diminished quantity. Heavier and more difficult assignments, such as production of the Mosquito aircraft, the Lancaster bomber and a long list of secret devices, were given to Canada.

Shifts of emphasis, forecast early in 1943, altered many

# CANADA'S RECORD OF WAR PRODUCTION

IN MILLIONS OF DOLLARS





aspects of the production program during the latter half of the year.

Inasmuch as less than 30% of Canada's war production is required by its own armed forces while the remainder goes to other United Nations, the greater part of the munitions output is directly dependent on orders from abroad.

These orders have continually reflected the needs of the fighting fronts. At first there were the defensive needs of the United Kingdom after Dunkirk, the needs of the armies in North Africa and of Russia and China. Later they reflected the changing course of the war in the demand for new types of weapons and supplies for allied armies on the attack, in United States requirements for munitions and raw materials to supplement its own great production program, in the demand for even heavier tonnages of escort and cargo shipping as the pace of the offensive was accelerated.

Toward the end of 1943 the slackening of orders for many types of Canadian munitions reflected the improved position of the United Nations on all

fronts. The requirements for certain types of ground army equipment and defence equipment had been met, and orders for these supplies have been cancelled or sharply reduced. However, standard weapons such as army rifles and Bren guns are still in heavy demand, and small arms ammunition for these weapons continues to pour from the machines. Large stocks of shells and heavy ammunition have been accumulated, and production is easing except for a few types. Aircraft and signals and communications equipment are still heading the list of orders.

Despite the levelling-off process, the production totals for 1943, with only two exceptions, exceeded those for 1942. The exceptions were aircraft and mechanical transport.

The number of planes produced in 1943 was 3,600 compared with 3,800 in the previous year. The decrease resulted from the fact that new and more complex types of combat aircraft, such as the Lancaster bomber, which were being turned out in 1943, demand many more man-hours per unit. The value of aircraft production in 1943 actually was far in excess of the

value of the 1942 output.

The 1943 total of 177,000 units of military transport showed a decrease in comparison with the 200,000 units in 1942. This curtailment reflected altered

demands from abroad that followed allied victories in Tunisia and North Africa.

Following are production figures on a comparative basis for 1943 and 1942:

	1943	1942	1943 Increase over 1942
Escort and patrol vessels	290	119	143.7%
Cargo ships (tons) . . . . .	1,032,000	1,017,000	1.5%
Armored vehicles . . . . .	16,850	12,500	34.8%
Machine guns and small arms . . . . .	625,000	325,000	92.3%
Army and navy guns (barrels, carriages, mountings) . . . . .	45,000	31,000	45.2%
Heavy ammunition (rounds) . . . . .	28,500,000	28,000,000	1.8%
Small arms ammunition (rounds) . . . . .	1,500,000,000	1,200,000,000	25.0%
Signals and communications equipment . . . .	\$212,000,000	\$81,000,000	161.7%
Chemicals and explosives (tons) . . . . .	500,000	430,000	16.3%

These figures merely suggest the industrial achievements of Canada at the height of war production. Every major production plant draws from dozens of contributory sources, the smallest of which is an integral part of a complete structure.

For every yard building ships on the Pacific coast, on the Great Lakes, on the St. Lawrence and on the Atlantic seaboard there are scores of shops and factories in all parts of Canada turning out component parts for those ships ranging from mar-

ine engines to binnacles.

The bomber that rolls out of the aircraft plant is much more than the achievement of the aircraft workers. Aluminum sheeting, propellers, radio equipment, electric wiring—the products of a hundred industries—meet on the assembly line.

The plant turning out thousands of rounds of heavy ammunition is merely completing the work of other factories whence come the fuses and primers, the shells and cartridges, the cordite and the T.N.T.

# CONTROLS



*"We must continue to hold the line on the stabilization front throughout the new year. The cost of living must be kept under control if we are to reap the advantages of the strenuous efforts we have already made and if we are not to lose, within sight of victory, the fruits of our success in this field during the past two years. . . . Only if we succeed in preventing inflation now can we hope to achieve a stable prosperity after the war."*

HON. J. L. ILSLEY, *Minister of Finance.*

CANADA'S system of war-time controls has enabled the nation to expand from a peacetime to an all-out wartime economy with a minimum of hardship. As the secret of success in war production has been in co-ordination, so has co-ordination been the indispensable element in the successful operation of controls.

There is complete co-ordination of the work of the Wartime Industries Control Board of the Department of Munitions and Supply, which exercises control over the production and distribution of certain basic materials and services because of their essentiality to the war production program, and the Wartime Prices and Trade Board, which has authority over all matters of pricing and exercises jurisdiction over the production and distribution of civilian goods.

This co-ordination is effected by having the chairman of each board sit as a permanent member of the other. Moreover, controllers of the Control Board, who act as price administrators for the Prices Board with respect to the commodities under their control (for example, rubber and steel) sit as members of that board when decisions concerning their industries are being made.

Members of the Prices Board are senior civil servants who represent various government departments, and in addition the Prices Board has representation on several important interdepartmental committees, including the advisory committee on economic policy, the Canadian Shipping Board, the export control committee, the food requirements committee and the

National Selective Service Advisory Board. National Selective Service is responsible for the allocation of manpower to the armed forces, agriculture and essential industry.

The Dairy Products Board (cheese, butter and evaporated milk) the Meat Board and the Special Products Board (eggs and some fruits and vegetables, especially apples) have been established to supervise the fulfilment of contracts to deliver food to the United Kingdom Ministry of Food. These boards have authority to fix prices (subject to the approval of the Wartime Prices and Trade Board) to pay subsidies, to establish licensing systems, to control distribution, to require storage and to take measures to increase the output of products covered by the British contracts.

The Foreign Exchange Control Board has control over all financial transactions between residents of Canada and other countries.

The anti-inflation program has to be fought on a number of fronts. A country can prevent inflation by reducing purchasing power in the hands of the public by taxes, war loans and war

savings campaigns. In this way the demands for goods in short supply are prevented from overrunning the supply. Then the government can control prices and ration the distribution of certain essential goods.

In this way the payment of income taxes, for example, has a direct bearing on the effectiveness of price control. In the same way war loans, allocations, manpower and wage controls, consumer credit regulations and subsidies are all inter-related, and are all important elements in the stabilization program.

In August, 1941, broader authority in the field of price control was given to the Wartime Prices and Trade Board. Previously the major effort of this board had been concerned with the increase of supplies of the necessities of life; only a few prices had been fixed.

Under the general ceiling plan made effective December 1, 1941, the prices of goods, services and rents were frozen at levels prevailing in the fall of 1941 (the basic period was September 15 to October 11, 1941). The Prices Board was vested with authority to use the necessary related control measures.



To prevent the tendencies toward higher costs from forcing a general penetration of the price ceiling, four types of action have been taken by the Prices Board:

1. Reduction of costs where possible
  - (a) by modifying or remitting the payment of import duties and taxes;
  - (b) by the adoption of simplification, standardization and other measures to effect cost economies.
2. The sharing of "the squeeze" between manufacturers and distributors.
3. The payment of subsidies.
4. Government bulk purchasing.

The Prices Board, which is responsible for all subsidies except those paid to agricultural producers, established the Commodity Prices Stabilization Corporation to handle the operation of the subsidy program.

Three other subsidiary corporations have been organized: Wartime Food Corporation (to handle cattle exports) Canadian Wool Board and Wartime Salvage Corporation (salvaged waste materials).

Bulk purchases of several products, particularly imports, are made by the Commodity Prices Stabilization Corporation which distributes these products, when possible, through the normal

channels of trade at prices commensurate with the retail price ceiling. Any trading losses involved in these operations are borne by the government.

Subsidies are paid in one of two ways:

1. The financing of trading losses incurred by the Commodity Prices Stabilization Corporation on some of its bulk purchases.

2. Direct payments to producers, importers or distributors. To simplify the task of administration, direct subsidies usually have been paid at the stage of production or distribution where there are the fewest firms. The milk subsidy, for example, is paid to distributors, who in turn pass it on to the milk producers.

Commitments to the United Kingdom, the needs of the armed forces, transportation and shipping difficulties have necessitated consumer rationing to ensure an equitable distribution of those necessities of living which are in short supply. Each Canadian is entitled to the following rations:

TEA.....	1½ ounce weekly, or
COFFEE.....	5½ ounces weekly.
	(The tea and coffee ration is not available to children under 12).
SUGAR.....	half a pound weekly
	(plus special seasonal allowance to housewives for canning).
BUTTER.....	half a pound weekly.

MEAT.....one to two and a half pounds weekly according to type of meat.

CANNED

SALMON....as an alternative to meat  $\frac{1}{4}$  pound is allowed per valid meat coupon (effective January 17, 1944).

JAM, JELLY,  
SYRUP, CANNED FRUIT,

ETC.....two coupons a month, each good for from six to 20 fluid ounces or  $\frac{1}{2}$  pound of sugar.

GASOLINE...non-essential passenger cars—40 units a year; essential and commercial vehicles — ration tailored to meet individual needs.  
(Unit as at December, 1943 =three gallons).

Gasoline, small arms ammunition and railway timepieces, under Dominion orders, and liquor and beer, under provincial orders, are the only commodities other than foods regularly rationed in Canada. Special rationing methods are used, however, in the distribution of evaporated milk in restricted areas where fluid milk supplies are adequate and in the sale of canned vegetables; and short supplies of coal, fuel oil and some other products have necessitated certain consumer restrictions.

Late in 1943 restrictions on the

use of some war materials formerly in short supply, such as scrap aluminum and certain types of steel, were eased to make them available for civilian use, and it was indicated that further similar action would be taken whenever possible.

When the general price ceiling plan was adopted in December, 1941, wage rates and salaries were stabilized. Simultaneously it was provided that workers should receive a cost-of-living bonus if and when the cost-of-living index rose. Wage increases were permitted by the National War Labour Board, which administers the wage program, only to adjust wages which were out of line.

In the two years since then the National War Labour Board and regional war labour boards have dealt with 40,000 applications for wage adjustments affecting 2,500,000 workers. Wage increases to remove inequalities were made in 90% of the cases. The result of these adjustments, now in force, has meant a total increase in payment to Canadian wage earners of more than \$150,000,000.

As the government is resolved

to hold the price ceiling in the battle against inflation, and as this would be impossible if wage control were to be abandoned, the policy of wage stabilization is undergoing no fundamental change, but two important changes are being made in the method of controlling wages.

As announced on December 9, 1943, the war labour boards, in dealing with applications for wage adjustments, are no longer bound to apply a standard of comparing wages in one plant or industry with wages in other plants or industries. Instead, the objective in adjusting wages is to be the removal of gross inequalities and injustices, coupled with the ability of the employer to pay an increase without raising prices.

In order to assure uniformity of practice, the National War Labour Board is given closer supervision over the regional boards, which are required to report all their decisions and directions to the national board for review.

The other change has to do with the cost-of-living bonus. No further bonuses are to be paid, and the existing cost-of-living bonuses are to be added

to and to become part of basic wage rates.

If the cost of living rises more than 3% and remains at that level for two consecutive months, the government will review the whole program of price control and wage control and take appropriate action.

A code of labor relations will define and prohibit unfair labor practices and, subject to the wage stabilization policy, will provide for compulsory collective bargaining. The code will be enforced by a National War-time Labour Relations Board, distinct and separate from the National War Labour Board, which will continue to have jurisdiction over wages.

The year 1943 was a difficult one in maintaining the price ceiling policy. The pressures of rising costs continued to increase; nevertheless the general policy of stabilizing prices and costs, including salaries and wages, and farm prices was maintained.

The cost of living increased by less than 1% during 1943. In the similar period in World War I prices rose by about 10%. The government has warned, however, that this success can-



# CIVILIAN FOOD CONSUMPTION IN CANADA

	LB. PER HEAD PER ANNUM					PER CENT OF PRE-WAR				
	1935-39	1940	1941	1942	1943(1)	1935-39	1940	1941	1942	1943(1)
<b>FLUID WHOLE MILK</b> (INCLUDING CREAM)	403.3	413.9	408.7	433.5	456.3	100	103	101	107	113
<b>CHEESE, cheddar style</b>	3.4	3.3	4.1	3.3	3.4	100	97	121	97	100
<b>TOTAL DAIRY PRODUCTS</b> EXCLUDING BUTTER (MILK SOLIDS)	54.6	57.0	57.6	61.1	64.3	100	104	105	112	118
<b>BEEF</b>	54.4	54.4	58.3	59.5	70.1	100	100	107	109	129
<b>PORK</b>	40.4	42.8	42.5	44.2	40.9	100	106	105	109	101
<b>TOTAL MEATS</b> (Including cured and canned) Carcass weight (2)	120.1	120.1	126.5	127.8	134.4	100	100	105	106	112
<b>CHICKENS</b>	15.5	16.7	16.3	19.3	18.7	100	108	105	125	121
<b>POULTRY, GAME AND FISH</b> (EDIBLE WEIGHT) (3)	25.8	27.4	23.3	26.9	26.2(4)	100	106	90	104	102(4)
<b>EGGS</b> (FRESH EQUIVALENT)	30.5	30.3	30.5	32.1	37.8	100	99	100	105	124
<b>BUTTER (5)</b>	30.8	30.8	30.7	33.1	29.6	100	100	100	107	96
<b>REFINED SUGAR (6)</b>	90.6	96.2	100.3	77.7	72.1	100	106	111	86	80
<b>POTATOES</b>	191.7	202.4	202.0	204.4	205.1	100	106	105	107	107
<b>TOMATOES AND CITRUS</b> (AS FRESH)	51.1	57.9	64.0	68.8	61.5	100	113	125	135	120
<b>OTHER FRUIT</b> (FRESH EQUIVALENT)	79.6	88.1	95.1	70.0	72.4	100	111	119	88	91
<b>GRAIN PRODUCTS</b>	206.9	175.0	180.5	195.4	215.4	100	85	87	94	104
<b>TEA</b>	3.5	3.6	3.2	2.7	2.1	100	103	91	77	60
<b>COFFEE</b> (GREEN BEANS)	3.6	3.6	4.3	3.9	4.0	100	100	119	108	111
<b>COCOA</b> (GREEN BEANS)	3.7	4.7	5.3	3.9	4.4	100	127	143	105	119

1. Preliminary, subject to revision.
2. As meat rationing did not come into effect until May, 1943, and as consumption was heavy during the early months of the year, the effects of rationing are not reflected in the 1943 annual average figures.
3. There has been a gradual rise in the consumption of poultry meat over the war period, but supplies of fish have declined as a result of reduced landings.
4. Assuming no change in fish from 1942.
5. Butter consumption remained relatively constant until 1942, when a marked rise occurred. Rationing came into effect in December, 1942, and the consumption in 1943 was reduced. The use of butter in hotels, restaurants and by food manufacturers accounts for the per capita consumption being greater than the ration allowance to individuals.
6. After substantial increases in 1940 and 1941, the figures for sugar show the effect of rationing in 1942, and consumption has been further reduced in 1943. Allocations to caterers and manufacturers and special allowances for home canning bring the per capita figures substantially above the ration allowance.



not be continued if the price ceiling is to be subject to pressures such as were put on it increasingly in 1943. It is resolved to hold the line on the price ceiling, and its policy will be to take all practicable measures to keep the cost of living at its present level. The new wages control order recognized the importance of wage stabilization in making possible the attainment of stable living costs.

In carrying through price control during 1943 the Wartime Prices and Trade Board adjusted its policies to meet new problems and to overcome them while adhering to the basic policy of the price ceiling. The ceiling was extended to several commodities formerly thought too difficult to control—for example, fruits and vegetables—when it became evident that control in these fields was essential. The system of standard maximum prices was extended—for example in the field of meats—in order to make control more

workable and effective.

In the field of ensuring civilian supplies, 1943 required more active measures than any other year. Rationing had to be extended to new and more difficult items. Control of distribution was continued and extended even where formal rationing was not possible. Even direct control of production—for example, in the field of textiles—was undertaken to ensure that adequate supplies of the necessities were available.

International control of many important supplies was extended during the year, and Canada fitted into these plans by arrangement with the various international boards on which it is represented and by an extension of the bulk purchasing arrangements carried on under the direction of the Prices Board. The careful use of subsidies was extended to take care of unavoidable increases in costs, but the costs of subsidies were less than originally anticipated.



# FOOD



CANADA has set production objectives for most of its agricultural products for 1944 equal to those that were set for 1943. This will maintain the level of food supplies required by the United Kingdom and meet the demands of the Canadian civilian population, the armed forces, prisoners-of-war parcels and other requirements. Should the weather in 1944 be more favorable than in the 1943 crop season, some substantial increase may be expected.

Although it was not possible for farmers to meet fully the ambitious objectives set for 1943, the results on the whole were sufficient to fulfil the requirements for essential food commodities.

Broadly speaking, the objectives have been reached each year during the war, and the tonnage of food produced during the war period has increased approximately 40%. This has been achieved despite the fact that since 1939 an estimated 400,000 men and probably at

least 100,000 women have left the farms to go into the armed forces, munitions plants and other industries. In addition the farm machinery situation in 1943 was more difficult than at any other time since the outbreak of war.

For 1944, however, the outlook both for farm labor and farm machinery is brighter. National Selective Service policies applying to farm workers have been adjusted to meet the urgent needs of agriculture, and more steel tonnage is to be released for farm machines.

The net value of agricultural production increased from \$826,400,000 in 1939 to \$1,570,000,000 in 1942.

Canada provides about 85% of the weekly bacon ration of the people of the United Kingdom, 52% of their wheat, 35% of their canned fish, 25% of their cheese and 10% of their eggs.

The hog production objective for 1944 is 7,000,000 head. In

1943 the Canadian agreement with the United Kingdom Ministry of Food was for 675,000,000 pounds of bacon and pork products. This has been met with the help of 92,000,000 pounds carried forward from 1942. The marketing of 7,000,000 hogs was required to supply the needs of the United Kingdom, the domestic market and the armed forces in Canada.

Under a new agreement Canada guarantees the United Kingdom a minimum of 900,000,000 pounds for 1944 and 1945.

In order to meet minimum export commitments for pork products it will be necessary for commercial marketings of hogs to reach a total of not less than 6,250,000 head in 1944 and for consumption of pork products in Canada to show no material increase over 1943.

Slightly larger objectives were set for 1944 in the production of beef cattle, calves, sheep and lambs.

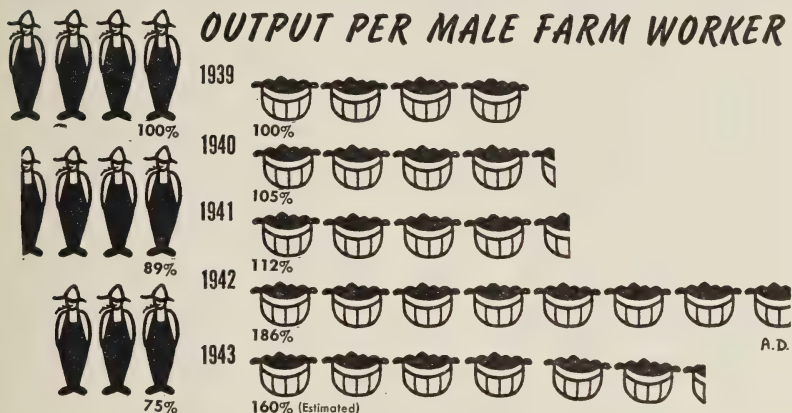
Minimum export requirements for 1944 total 511,000,000 pounds of meats, and arrangements have been completed for the export of surplus quantities of beef to the United Kingdom.

If inspected slaughterings of livestock and the dressed yield of meats reach the estimated totals, and civilian consumption is held within the limits hoped for, there should be a net surplus of total meats of 99,000,000 pounds, principally beef.

As there was a record carry-over of 601,500,000 bushels of wheat when the present crop year opened on August 1, 1943, the 1944 objective for the acreage sown to wheat, 17,500,000 acres, shows no change from 1943. Because the price for wheat is higher, however, an increase in acreage is possible.

The latest estimate of 1943 wheat production is 293,704,000 bushels, compared with the 1942 production of 556,121,000 bushels. In recent years there has been a substantial reduction in the wheat acreage under the wheat acreage reduction policy and an increase in the acreage of feed grains which have been required for increased livestock production. The yield per acre of wheat and feed grains was smaller in 1943 than 1942 as a result of the unfavorable weather conditions.

# MALE FARM WORKERS AND AGRICULTURAL OUTPUT PER MALE FARM WORKER



Canada has begun work on a United Kingdom order for 1,000,000 tons of flour, and efforts are being made to increase production in flour mills. Production of wheat flour in Canadian mills for the 1942-43 crop year ended with the highest output on record, 23,549,707 barrels. (A 196-pound barrel of flour is the equivalent of 4½ bushels of wheat).

Canada's export shipments of wheat actually have been larger in the war period than before, and at the same time Canada's domestic utilization of wheat has risen substantially above pre-war figures.

Canadian exports of wheat and flour to all destinations

during the five crop years 1938-1943 totalled 1,017,624,000 bushels, and prospects are that the 1943-44 exports may be considerably higher than the average of those five years.

During the two years up to mid-November, 1943, purchases of wheat by countries included:

Country	Bushels Wheat and Flour
United Kingdom.....	299,700,000
United States.....	43,500,000
Soviet Union (under Canadian-Soviet credit agreement).....	6,469,775
West Indies and British Guiana.....	11,500,000
Newfoundland.....	3,400,000
<i>Wheat</i>	
Portugal and colonies..	23,200,000
Eire.....	7,600,000
Switzerland, via Genoa..	6,700,000
Spain.....	1,400,000



In addition shipments of wheat go to the people of enemy-occupied Greece as a gift of the Canadian people. Up to mid-November, 1943, these totalled 7,930,030 bushels, valued at about \$8,000,000. This gift of 15,000 tons of wheat a month it is estimated is feeding 40% of the people of Greece.

An increased acreage of live-

stock feed crops is the objective for 1944, because such crops are essential to maintaining the required production of dairy products and livestock.

The milk production objective for 1944 remains unchanged from 1943, but the cheese and butter output is expected to be slightly reduced. The domestic consumption of fluid milk has in-

## SHIPMENTS OF PRINCIPAL FOOD PRODUCTS FROM CANADA TO UNITED KINGDOM\*

	Pork Products Cwt.	Wheat Bu.	Wheat Flour Bbls.	Canned Fish Cwt.	Cheese Cwt.	Eggs Doz.
1939	 1,860,000	 61,870,000	 2,980,000	 368,000	 811,000	1,020,000
1940	 3,440,000	 86,320,000	 4,560,000	 416,000	 1,031,000	 10,610,000
1941	 4,600,000	 139,440,000	 7,800,000	 1,018,000	 890,000	 15,250,000
1942	 5,240,000	 90,080,000	 4,660,000	 1,231,000	 1,313,000	 37,530,000
1943 (estimated)	 5,670,000	 98,940,000	 7,670,000	 868,000	 1,282,000	 40,000,000
<b>TOTAL</b>	20,810,000	476,650,000	27,670,000	3,901,000	5,327,000	104,410,000

\* Substantial shipments also have been made to the United Kingdom of processed milk, fresh, canned and evaporated apples, canned tomatoes and dehydrated fruits and vegetables.

creased considerably in recent years.

Canada contracted to supply the United Kingdom with 150,000,000 pounds of cheese from the production for the 12 months which began April 1, 1943. As an inducement to produce more cheese an increased subsidy on milk to be used for cheese-making was made effective on October 1, 1943.

The objectives for concentrated milk products for 1944 are unchanged.

The egg production objective for 1944 is 10% higher than 1943. Of the 1944 production, at least 10% may be sent to the United Kingdom.

Egg production in 1943 reached the all-time high of 335,000,000 dozen, approximately 20% greater than in 1942. The objective was to ship 63,000,000 dozen in dried powder form to the United Kingdom, but the objective was not attained. This was because there was an abnormal domestic demand resulting chiefly from meat rationing, which does not apply to poultry, and from a meatless day a week in public eating

places, both of which led to an increased demand for eggs and poultry meat.

Actual shipments of eggs for 1943 have been estimated at about 40,000,000 dozen. While this quantity was about 132,500 cases less in 1943 than in 1942, the quantity of egg powder shipped was about the same because an increased yield of powder was obtained under improved processing methods.

The United Kingdom in 1944 will buy all the eggs Canada can make available, without any specific shipment objective set.

Despite the increased exports of the agricultural commodities dealt with here and the substantial demands for the armed forces, the supplies of foods moving into civilian consumption throughout the war period have increased from pre-war years with few exceptions, and the production of most food-stuffs has so increased as to be adequate to meet these increased demands.

Of special products such as oil producing crops, tobacco, fruits and vegetables, honey and maple products, increased ob-

jectives have been set for 1944.

Following are some of the agricultural production objec-

tives for 1944 compared with estimated production for 1943, together with the percentage change from 1943:

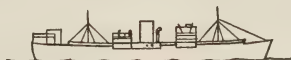
	1943 PRODUCTION (estimated)	1944 OBJECTIVE	PERCENTAGE CHANGE
<b>Grain and Forage Crops (acres)</b>			
Wheat.....	17,488,000	17,500,000	No change
Oats.....	15,407,000	16,377,000	+6%
Barley.....	8,397,000	8,500,000	+1%
Mixed grain.....	1,463,000	1,760,000	+20%
Rye.....	576,000	500,000	-13%
Corn (husking).....	257,000	393,000	+53%
Hay and clover.....	9,815,600	9,816,000	No change
Alfalfa.....	1,544,000	1,544,000	No change
<b>Oilseed Crops (acres)</b>			
Flaxseed.....	2,947,800	1,890,600	-36%
Soybeans.....	50,400	55,100	+9%
Rape seed.....	4,051	10,000	+147%
Sunflower seed.....	29,000	50,000	+72%
<b>Other Field Crops (acres)</b>			
Field beans.....	85,200	93,900	+10%
Field peas.....	104,300	119,845	+15%
Sugar beets.....	52,500	63,400	+21%
Fibre flax.....	35,000	48,000	+37%
<b>Tobacco (acres)</b>			
Flue-cured.....	60,360	70,200	+16%
<b>Fruits and Vegetables</b>			
Apples (bu.).....	12,134,000	15,000,000	+24%
Pears (bu.).....	509,000	600,000	+18%
Cherries (bu.).....	184,000	200,000	+9%
Plums and prunes (bu.).....	331,000	450,000	+36%
Peaches (bu.).....	571,000	1,300,000	+128%
Apricots (bu.).....	18,000	81,000	+350%
Strawberries (qts.).....	13,928,000	16,000,000	+15%
Raspberries (qts.).....	8,423,000	9,150,000	+9%
Grapes (lbs.).....	54,042,000	54,500,000	+1%
Loganberries (lbs.).....	1,703,000	1,788,000	+5%
Potatoes (acres).....	532,700	558,980	+5%
Tomatoes (acres).....	185,194	(No definite objective fixed)	
Leafy green vegetables (tons)	230,343	320,000	+39%
Root vegetables (tons).....	318,165	360,000	+13%
<b>Livestock (head)</b>			
Hogs (inspected slaughterings)	7,000,000	7,000,000	No change
Beef cattle.....	1,110,000	1,177,600	+6%
Calves.....	645,000	662,800	+3%
Sheep and lambs.....	840,000	880,500	+5%
<b>Dairy Products (pounds)</b>			
Total milk.....	17,400,000	17,400,000	No change
Creamery butter.....	313,724,000	305,276,000	-3%
Cheese.....	158,672,000	148,390,000	-7%
<b>Concentrated Milk Products (pounds)</b>			
Evaporated whole milk.....	178,000,000	178,000,000	No change
Condensed whole milk.....	24,000,000	24,000,000	" "
Whole milk powder.....	16,800,000	16,800,000	" "
Skim milk powder.....	24,000,000	24,000,000	" "

	1943 PRODUCTION (estimated)	1944 OBJECTIVE	PERCENTAGE CHANGE
<b>Poultry Products (dozen)</b>			
Eggs.....	335,000,000	367,500,000	+10%
(Of this figure, purchase-for-export objective is 36,844,050 dozen)			
<b>Poultry Meats (pounds)</b>			
Chicken and fowl.....	224,881,000	250,000,000	+11%
Turkeys.....	29,151,000	33,000,000	+14%
<b>Miscellaneous (pounds)</b>			
Wool (shorn).....	13,605,000	14,000,000	+3%



## ***CANADA'S MERCHANT NAVY***

HAS INCREASED MORE THAN 100% IN  
GROSS TONNAGE OF FOREIGN GOING  
MERCHANT SHIPS SINCE WAR BEGAN.



**SEPT. 1939**



**DEC. 1943**





# CANADA-U.S. CO-OPERATION



**I**N the fields of defence, economics and war production, Canada and the United States have joined forces through the following committees:

Permanent Joint Board on Defence  
Materials Co-ordinating Committee  
Joint Economic Committees  
Joint War Production Committee  
Joint Agricultural Committee  
Joint War Aid Committee

Canada is also a member of the Combined Production and Resources Board and the Combined Food Board with the United Kingdom and the United States.

The Canadian joint staff mission in Washington is represented when discussions there of the British-United States combined chiefs of staff directly concern Canada.

The United States War Production Board has an office in Ottawa, and the Canadian Department of Munitions and Supply and Wartime Prices and Trade Board have representatives in Washington.

On August 17, 1940, at Ogdensburg, New York, Canada and the United States signed the

agreement on which co-operation in defence is based.

Recommendations of the defence board have resulted in the construction of a chain of air bases between Edmonton and Alaska and the Alaska Highway.

At Hyde Park, New York, on April 20, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defence articles which it is best able to produce, and above all, produce quickly, and that production programs should be co-ordinated to this end."

According to what is known as the Hyde Park Declaration, termed "the Magna Charta of our wartime economic co-operation," the United States agreed to buy enough Canadian war goods to enable Canada to pay for essential United States war materials.

The contracts that the United States placed in Canada after Hyde Park not only took advan-

tage of Canada's much earlier conversion to war production, but at the same time contributed to the elimination of Canada's urgent need for United States dollars required to meet the cost of war purchases in the United States.

Canada does not use lend-lease accommodation utilized by other United Nations.

Establishment of the Materials Co-ordinating Committee was announced on May 1, 1941. Through sub-committees on forest products, copper, zinc and ferro-alloys, the movement of primary materials between the two countries is promoted, available supplies are increased and information exchanged on raw materials stocks, production and consumption in the United States and Canada.

The United States War Production Board, in determining the allocation of critical war materials, has reviewed Canadian applications on the same basis that it passes on applications from United States domestic industry. Canada, for its part, has poured its gigantic resources of vital raw materials into the common pot.

The Joint Economic Committees were formed in June, 1941, to act in an advisory capacity to the governments at Ottawa and Washington on foreign exchange control, economic controls, price policies, tariffs and duties and post-war planning.

By joint management the foreign exchange situation between the two countries has been maintained in a mutually advantageous position. No problem of exchange has been allowed to impede the maximum development of the two nations' war potential.

There has been no relaxation in foreign exchange control, which prevents Canadians from obtaining United States currency in Canada for pleasure travelling in the United States.

Those tariff and customs restrictions that normally might be expected to impede the free flow of war goods back and forth across the border have been reduced to a minimum for the duration of the war.

Formation of the Joint War Production Committee was announced November 5, 1941. The duty of this committee is to reduce duplication, arrange uni-

form specifications and quick exchange of supplies, break transportation bottlenecks and exchange information. There are 10 technical sub-committees.

On November 10, 1942, Canada became a full member of the Combined Production and Resources Board, the principal objective of which is to combine the production programs of the United Kingdom, United States and Canada into a single integrated program, adjusted to the strategic requirements of the war, as indicated by the combined chiefs of staff, and to all relevant production factors.

In an exchange of notes concluded on November 30, 1942, Canada and the United States expressed their desire to continue in the post-war world their wartime co-operation:

"Our governments have in large measure similar interests in post-war international economic policy. . . . They will seek to furnish to the world concrete evidence of the ways in which two neighboring countries that have a long experience of friendly relations . . . may promote by agreed action their mutual interests to the benefit of themselves and other countries."

The Joint Agricultural Com-

mittee was set up in March, 1943, to keep agricultural and food production and distribution in Canada and the United States under continuing review.

On August 22, 1943, during the Quebec conference the Prime Minister and the President announced the formation of a joint war aid committee. This committee is to study problems that arise out of operations of United States lend-lease and the Canadian mutual aid program and, where necessary, make recommendations to the proper authorities.

Canada was admitted to full membership on the Combined Food Board on October 29, 1943. That board's purpose is to obtain a planned, expeditious utilization of the food resources of the United Nations.

On November 11, 1943, it was announced that Canada's legation at Washington and the United States legation at Ottawa would be raised to the status of embassies.

Thus the Canadian embassy is the first to be established by any British country other than the United Kingdom.

# SALVAGE



THE shortage of waste paper is much more acute than at any time since the war began. Shipments of all kinds of waste paper to consuming mills must be increased. Every carload of waste paper, baled or securely bundled, for which no market is available through regular trade channels, will be cleared through Wartime Salvage Limited, a Dominion government company. Waste paper, especially brown paper, containers and corrugated paper, is needed more urgently now because of the great scarcity of virgin pulpwood and because of increased demands from the armed forces of Canada and other United Nations.

Wartime ingenuity has found hundreds of uses for this salvage, such as in containers for shells, plastics, medical kits, emergency rations, grenades, gas masks, air force emergency packs, bomb fins and rings. Paper containers for dehydrated foodstuffs are being used in large quantities in addition to millions of paper board containers being sent overseas.

Housewives are still in the front line of the salvage collection work because items most urgently needed are in the home. Besides waste paper these include rags for grease wipers, used in the armed forces' mechanical establishments and war industries, and fats and bones to produce glycerine for explosives and military medicines.

Reports submitted to the salvage division of the Department of National War Services by some 1,750 voluntary salvage committees operating throughout Canada show that 441,789,444 pounds of salvage materials were collected and marketed by the committees during the 31 months from May 1, 1941, to November 30, 1943, as follows:

Province	Materials Marketed (lbs.)	Lbs. per 1,000 Population
P.E.I. . . . .	2,698,757	28,407
N.S. . . . .	10,244,906	17,724
N.B. . . . .	9,720,646	21,270
Que. . . . .	69,925,974	20,986
Ont. . . . .	231,270,274	61,503
Man. . . . .	45,175,458	61,884
Sask. . . . .	18,193,566	20,305
Alta. . . . .	24,969,069	31,368
B.C. . . . .	29,590,794	36,175

Total . . . 441,789,444 Av. 38,450



# FINANCE



**F**ROM October 18 to November 6, 1943, Canadians oversubscribed the cash objective of the fifth Victory loan by more than \$183,200,000. Total cash sales exceeded \$1,383,200,000. Since the first war loan of \$200,000,000 in January, 1940, cash sales in each of the six succeeding public loans have exceeded those of the preceding one.

The total cash objective of the fifth Victory loan was \$1,200,000,000. This was made up of two separate objectives—\$675,000,000 in the special names canvass and \$525,000,000 in the general and payroll canvasses. The general and payroll canvasses largely represent applications from individuals, whereas the special names canvass consists mostly of applications from life insurance companies and other business firms and corporations.

The total cash sales of more than \$1,383,200,000 comprised \$779,600,000 from 7,100 applications in the special names group, and \$603,600,000 from 3,001,000 applications in the case of individuals. Applications from individuals increased over

the fourth Victory loan by nearly 340,000 in number and by more than \$74,000,000 in cash.

In addition to sales of bonds for cash payment, fifth Victory loan bonds to the value of more than \$188,000,000, representing 24,715 applications, were sold in exchange for other Dominion of Canada bonds which matured or were called for redemption last October 15.

Subscriptions numbering 386,000 from men and women of the armed forces totalled \$37,506,000, of which \$6,001,000 was subscribed by the forces overseas. Canadian troops in the Mediterranean area alone, including those actually fighting in Italy, subscribed \$1,346,000.

Total Canadian war requirements to March 31, 1944, are estimated at nearly \$12,700,000,000, compared to the total cost of World War I amounting to less than \$1,700,000,000, which included demobilization expenses. This war's costs include amounts provided to help finance United Kingdom war expenditures in Canada.

War expenses for the present fiscal year ending March 31,

1944, have been budgeted at \$4,890,000,000, which includes \$1,000,000,000 to cover the cost of war equipment, raw materials and foodstuffs Canada is providing the United Nations under its Mutual Aid Act.

At the close of 1943 Finance Minister Ilsley stated:

"In our financial and economic affairs the past year has been one of climax and achievement. Our economic mobilization—after long years

of urgent development—has been largely completed. Our task now is to adjust our production and related programs to the ever changing dictates of strategy and battle experience. As a consequence, I should think it quite possible that our war expenditures have now reached their maximum, and that even taking into account the need for financing relief supplies, we need not anticipate much, if any, increase in our expenditure beyond current levels."

Following are Dominion government expenditures and revenues since 1939:

	1939-40	1940-41	1941-42	1942-43	1943-44
	—Millions of Dollars—			(Estimated)	(Budget)
War Expenditures:					
Army.....	68	383	511	1,038	1,787
Navy.....	11	88	129	210	489
Air Force.....	33	176	371	617	1,129
Dept. of Munitions and Supply.....	...	80	253	679	166
War Services Dept. ....	...	2	3	9	12
Miscellaneous Depts. ....	6	23	73	171	307
United Nations financial assistance (budgetary).....	...	...	...	1,000*	1,000**
Total War.....	118	752	1,340	3,724	4,890
Other Govt. Expenditures.....	563	498	545	663	655
TOTAL EXPENDITURES.....	681	1,250	1,885	4,387	5,545
TOTAL REVENUES.....	562	872	1,489	2,249	2,527
Over-all deficit.....	119	378	396	2,138	3,018
Total revenue to total expenditure. ....	82%	70%	79%	51%	46%
U.K. financial assistance (non-budgetary)*.....	104	361	1,053	....	....

\*Financial assistance in 1942-43 provided for in budget and included in war costs. In previous years assistance to the United Kingdom was provided outside the budget as it involved investment or debt redemption rather than expenditures.

\*\*Mutual Aid Act to provide United Nations war equipment, war materials, food.

# DECEMBER HIGHLIGHTS

- Dec. 2. Canadian repatriates from Far East reach Montreal.
- Dec. 3. Price ceiling placed on imitation spices.
- Air Minister Power announces R.C.A.F. objective virtually achieved in recruiting and training of ground crew.
- Dec. 5. Prime Minister King announces new code of labor relations, price floor on farm commodities and cost-of-living bonuses to be incorporated in basic wage rates.
- Dec. 9. Dr. Eduardo Vivot, newly appointed Argentine minister to Canada, arrives in Ottawa.
- Dec. 10. Canadian legations in Soviet Union, China and Brazil to be raised to status of embassies.
- Dec. 11. Canadian airmen now operating with squadrons based on Azores.
- Munitions Minister Howe announces that November set new record in shipbuilding with 11 escort vessels delivered—four frigates, three algerine minesweepers, four corvettes.
- Dec. 14. New R.C.A.F. overseas airmail service inaugurated.
- Dec. 16. Enemy alien civilian internees permitted to take employment under National Selective Service.
- Dec. 17. Belgian legation in Ottawa raised to status of embassy.
- War Assets Corporation, Limited, crown company to act in disposal of surplus war material, announced.
- Dec. 26. Lieutenant-General McNaughton's retirement as overseas army commander-in-chief because of impaired health announced by Defence Minister Ralston.
- Dec. 28. R.C.A.F. student navigator who relieved unconscious pilot at controls, ordered three companions to bail out and later crashed to death with pilot is posthumously awarded George Cross. He was Leading Aircraftman Kenneth G. Spooner of Smith's Falls, Ontario.
- Dec. 29. Rationing of canned salmon begins January 17, valid meat coupons to be used. Salmon thus becomes alternative for rationed meats; one-quarter pound of canned salmon per coupon allowed.
- Dec. 30. Largest group of Canadian Lancasters and Halifaxes ever despatched from British bases take part in giant R.A.F. air blow at Berlin.
- Dec. 31. Transfer of 1,847 men from government-operated explosives plants at Nobel, Ontario, to industries in Toronto area and Northern Ontario to begin January 3.



## NEW YEAR'S HONORS LIST—1944

	Navy	Army	Air Force	Merchant Navy	Civilian	Total
Companion of the Bath	1	4	4	—	—	9
Companion of St. Michael and St. George.	—	—	—	—	15	15
Commander of the British Empire.....	3	9	3	—	18	33
Officer of the British Empire.....	4	24	4	9	9	50
Member of the British Empire.....	7	58	15	3	4	87
Member of the Royal Red Cross—First Class	—	5	—	—	—	5
Distinguished Service Cross.....	1	—	—	—	—	1
Distinguished Flying Cross.....	—	—	3	—	—	3
Air Force Cross.....	—	—	8	—	—	8
Associate of the Royal Red Cross—Second Class.....	1	6	—	—	—	7
Air Force Medal.....	—	—	2	—	—	2
George Medal.....	1	—	—	—	—	1
British Empire Medal..	11	17	12	1	—	41
Mention in Despatches	28	—	40	—	—	68
Commendations.....	—	3	10	—	—	13
TOTAL.....	57	126	101	13	46	343





*Issued by Wartime Information Board*

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